

1996

IDAHO CAPITAL GAINS DEDUCTION

FORM
CG
TC00091
5-24-96

Name(s) as shown on return

Social Security Number

1. List Qualifying Capital Gains and Losses

(a) Description of property and Idaho location	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) GAIN or (LOSS)

2. Qualifying capital gain from sale of personal residence. Attach federal Form 2119.....	2	
3. Qualifying capital gain or (loss) from installment sales. Attach federal Form 6252.	3	
4. Qualifying capital gain or (loss) from sales of business property. Attach federal Form 4797.	4	
5. Qualifying capital gain or (loss) from partnerships, S corporations, estates or trusts.	5	
6. Net gain or (loss). Add amounts in column f of line 1 and lines 2 through 5.	6	
7. If line 6 is a gain, multiply line 6 by 60%.	7	
8. Net capital gain included in income. See instructions.	8	
9. Enter the smaller of line 7 or 8 here and on line 24, Form 40 or line 41, Form 43.	9	

Instructions for Idaho Form CG

General Information

Form CG is used by individuals to compute the Idaho capital gains deduction. The deduction is 60% of the net capital gain from the sale of Idaho property. Only capital gains from the following Idaho property qualify.

- (a) Real property held for a minimum of five years, or
- (b) Tangible personal property used in a revenue-producing enterprise and held for a minimum of 12 months. A revenue-producing enterprise means:
 - 1) Producing, assembling, fabricating, manufacturing or processing any agricultural, mineral or manufactured product;
 - 2) Storing, warehousing, distributing or selling at wholesale any products of agriculture, mining or manufacturing;
 - 3) Feeding livestock at a feedlot;
 - 4) Operating laboratories or other facilities for scientific, agricultural, animal husbandry or industrial research, development or testing.
- (c) Cattle and horses held for a minimum of 24 months, and other livestock used for breeding held for a minimum of 12 months, if the owner received more than one-half of his gross income from farming or ranching in Idaho, or
- (d) Timber held for 24 months or more.

Refer to the Internal Revenue Code for definitions of capital assets, short-term and long-term capital gains and losses, computations of basis, and gain from disposition of depreciable property.

"Net capital gain" means the excess of net long-term capital gain over the net short-term capital loss for the year. When computing the net capital gain to which the 60% deduction applies, only gains and losses from qualifying property may be used.

Losses from property not eligible for this deduction do not reduce gains from eligible property. The Idaho capital gains deduction cannot exceed the net capital gain reported on the return. Gains treated as ordinary income do not qualify for the deduction.

S Corporations, Partnerships, Trusts and Estates

Capital gain from qualifying property, described above, held by S corporations, partnerships, trusts and estates, is eligible for the Idaho capital gains deduction. To claim the deduction, the individual shareholder or partner must have held the S corporation or partnership interest for the holding period specified for that type of property.

The amount of gain or loss must be computed by the S corporation, partnership, trust or estate. The deduction is claimed on the return of the individual shareholder, partner or beneficiary. The partnership, S corporation, trust or estate must provide supplemental information to the partners, shareholders, or beneficiaries identifying the pass-through of qualifying capital gain. The holding period of the partner, shareholder or beneficiary interest and the holding period of the qualifying property must be listed.

Specific Instructions

Line 1. List qualifying capital gains and losses:

- Column (a) Describe the type of property. Identify the Idaho location at the date of sale.
- Column (b) Identify the month, day, and year the property was acquired.
- Column (c) Identify the month, day, and year the property was sold.
- Column (d) Enter the sales price.
- Column (e) Enter the cost or other basis. Basis is computed under the appropriate provisions of the Internal Revenue Code.
- Column (f) Compute your gain or loss by subtracting your basis (column e) from the sales price (column d).

Line 2. Enter the taxable gain from the sale of your Idaho home from line 21, federal Form 2119. If you are reporting a gain that qualifies from previous installment sales, see line 3.

Line 3. If you used federal Form 6252 to report the installment method for the gain on the sale of eligible property on your federal return, compute your capital gains deduction using the current year's taxable portion of the installment payment.

Attach federal Form 6252. Capital gain from an installment sale is not eligible for the Idaho capital gains deduction if the property was not held for the minimum holding period by the date sold.

Line 4. Enter the eligible net capital gain from federal Form 4797. Do not include ordinary gains reported on Part II of federal Form 4797.

Line 5. Enter qualifying capital gain or loss from partnerships, S corporations, trusts and estates. Attach a copy of the Schedule K-1 from the partnership, S corporation, trust or estate. Identify the type of property sold, the date of sale, the holding period of the property by the partnership, S corporation, trust or estate, and the holding period of the partnership or S corporation interest.

Line 6. Enter the total of gains and losses in column f for lines 1 through 5.

Line 7. If line 6 is a gain, enter 60% of line 6. If line 6 is a loss, you cannot claim this deduction.

Line 8. Enter your net capital gain included in federal adjusted gross income. This is the net capital gain from federal Form 1040, line 13.

Line 9. Compare lines 7 and 8. Enter the smaller amount here and on line 24, Form 40 or line 41, Form 43. This is your Idaho capital gains deduction.